

I have been informed this afternoon that the Rural Electrification Administration has approved the deferment of payments for a three-year period on the obligation of the Central Electric Power Cooperative in South Carolina. This action prevents an increase in rates to members of the Co-op, since assurances must be given REA that the 6-mill rate will continue at least three years.

On January 22, I requested Mr. Ancher Nelsen, REA administrator, to consider the proposal being made by the South Carolina cooperative on behalf of the 16 co-ops covering 32 counties of the State and providing service to some 70,000 farm members who depend on the co-ops for power.

Representatives of the Central Electric Power Cooperative consulted with me in my office prior to my conversation with Mr. Nelsen and I discussed with them at length their problems which required a deferment in the payments scheduled under the loan from REA.

Mr. Nelsen assured me at that time that he would exert every effort to assist the Central cooperative in its plan which was designed to prevent an increase in rates of electricity to the 70,000 farm members of the 16 individual co-ops.

I requested that Mr. Nelsen confer with the interested parties and consider their situation. That conference was held on February 28, in South Carolina, with the subsequent announcement today by REA of its approval of the deferment.